SOUTH COAST FIRE PROTECTION DISTRICT
FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

SOUTH COAST FIRE PROTECTION DISTRICT

FINANCIAL STATEMENTS
June 30, 2021

Table of Contents

Independent Auditor's Report 1

Basic Financial Statements:

Government-Wide Financial Statements:
Statement of Net Position 3
Statement of Activities 4

Fund Financial Statements
Governmental Funds:
Balance Sheet 5
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position – Governmental Activities 6
Statement of Revenues, Expenditures and Changes in Fund Balances 7
Reconciliation of the Statement of Revenues, Expenditures and Changes In Fund Balances of Governmental Funds to the Government-Wide Statement of Activities – Governmental Activities 8

Notes to Financial Statements 9

Required Supplementary Information:

Budgetary Comparison Schedule:
General Fund 17

Note to the Required Supplementary Information 18

LARRY BAIN, CPA
An Accounting Corporation

Member of American Institute of Certified Public Accountants
Member of AICPA Peer Review Program

2148 Frascati Drive, El Dorado Hills, CA 95762 / 916.601-8894
lpbain@sbcglobal.net

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
South Coast Fire Protection District
Gualala, California

We have audited the accompanying financial statements of the governmental activities and general fund which comprise the basic financial statements of South Coast Fire Protection District as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our Responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

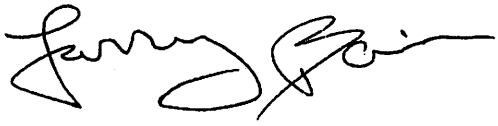
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the general fund of South Coast Fire Protection District as of June 30, 2021, and the changes in financial position, of those activities and fund for the fiscal year then ended in conformity with U.S. generally accepted accounting principles.

Required Supplementary Information

The South Coast Fire Protection District has not presented the Management Discussion and Analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

The required supplementary information other than MD&A, as listed in the table of contents as the budgetary comparison schedule for the General fund on page 17, is presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Larry Bain, CPA
An Accounting Corporation

May 5, 2023

SOUTH COAST FIRE PROTECTION DISTRICT

STATEMENT OF NET POSITION
JUNE 30, 2021

		Governmental Activities
Assets		
Cash and investments	$	626,962
Prepaid expense		7,344
Accounts receivable		5,179
Taxes receivable		43,048
Due from other governments		12,928
Total current assets		695,461
Noncurrent assets		
Capital assets:		
Land		52,500
Work in progress		500
Buildings and improvements		277,346
Equipment		2,065,481
Accumulated depreciation		(1,620,748)
Total noncurrent assets		775,079
Total assets		1,470,540
Liabilities		
Current liabilities:		
Accounts payable		2,699
Credit card payable		5,161
Accrued payroll		9,652
Current portion of notes payable		78,041
Total current liabilities		95,553
Noncurrent liabilities:		
Notes payable		220,463
Total noncurrent liabilities		220,463
Total liabilities		316,016
Net Position		
Net investment in capital assets		476,575
Unrestricted net position		677,949
Total net position	$	1,154,524

The notes to financial statements are an integral part of this statement

SOUTH COAST FIRE PROTECTION DISTRICT

STATEMENT OF ACTIVITES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants And Contributions	Total
Governmental Activities:				
Fire protection services	$ 584,628	$ 225,614	$ 418,083	$ 59,069
Total governmental activities	$ 584,628	$ 225,614	$ 418,083	59,069

General Revenues:	
Taxes:	
Property tax, levied for general purposes	179,378
Investment income	102
Gain on sale of assets	16,099
Other	5,279
Total general revenues	200,858
Change in net position	259,927
Net position - beginning	879,395
Prior period adjustment	15,202
Net position - ending	$ 1,154,524

The notes to financial statements are an integral part of this statement

SOUTH COAST FIRE PROTECTION DISTRICT

GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2021

		General Fund
Assets		
Cash and investments	$	626,962
Prepaid expense		7,344
Accounts receivable		5,179
Taxes receivable		43,048
Due from other government		12,928
Total assets	$	695,461
Liabilities and Fund Balance		
Liabilities		
Claims payable	$	2,699
Credit card payable		5,161
Accrued payroll		9,652
Total liabilities		17,512
Fund Balance		
Non-spendable		7,344
Unassigned		670,605
Total fund balance		677,949
Total liabilities and fund balance	$	695,461

The notes to financial statements are an integral part of this statement

SOUTH COAST FIRE PROTECTION DISTRICT

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION JUNE 30, 2021

Fund Balance	$	677,949
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets, net of accumulated depreciation, are not current financial resources and are not included in the governmental funds.		775,079
Long-term debt is not due and payable in the current period and therefore is not reported in the funds.		
Long-term debt		(298,504)
Net position (deficit) of governmental activities	$	1,154,524

The notes to financial statements are an integral part of this statement

SOUTH COAST FIRE PROTECTION DISTRICT

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	General Fund
Revenues	
Property taxes	$ 179,378
Special assessments	225,614
Intergovernmental revenues	418,083
Use of money and property	102
Contributions and other	5,279
Total revenues	828,456
Expenditures	
Public Protection:	
Salaries and benefits	275,340
Services and supplies	222,827
Capital outlay	246,486
Total expenditures	744,653
Total revenues over (under) expenditures before other financing sources (uses)	83,803
Other Financing Sources (Uses)	
Sale of assets	16,099
Proceeds of debt	147,962
Total other financing sources (uses)	164,061
Net change in fund balance	247,864
Fund balance - beginning of year	414,883
Prior period adjustment	15,202
Fund balance - end of year	$ 677,949

The notes to financial statements are an integral part of this statement

SOUTH COAST FIRE PROTECTION DISTRICT

RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Net change in fund balance - total governmental funds.	$	247,864
Amounts reported for governmental activities in the statement of activities differs from the amounts reported in the statement of revenues, expenditures and changes in fund balance because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities. The costs of those assets is allocated over their estimated useful lives as depreciation expense or are allocated to the appropriate functional expense when the cost is below the capitalization threshold. This activity is reconciled as follows:		
Cost of assets capitalized		246,486
Depreciation expense		(86,461)
Proceeds of debt are reported as other financing sources in the governmental funds, but are reported as long-term liabilities in the statemnt of net position.		(147,962)
Change in net position of governmental activities	$	259,927

The notes to financial statements are an integral part of this statement

Note 1: Summary of Significant Accounting Policies

The District was organized on April 24, 1962 and currently provides fire and emergency medical services to the community of Gualala and along the Mendocino Coast. It is operated under the direction of a five-member board duly elected and empowered by the electorate with sole authority over the District operations. The Mendocino County Board of Supervisors adopted resolution number 3956 authorizing the formation of the District.

The accounting policies of the District conform to U.S. generally accepted accounting principles as applicable to governmental units. The following is a summary of the more significant policies:

A. Reporting Entity

The District has defined its reporting entity in accordance with generally accepted accounting principles, which provides guidance for determining which governmental activities, organizations and functions should be included in the reporting entity. In evaluating how to define the District for financial reporting purposes, management has considered all potential component units. The primary criterion for including a potential component unit within the reporting entity is the governing body's financial accountability. A primary governmental entity is financially accountable if it appoints a voting majority of a component unit's governing body and it is able to impose its will on the component unit, or if there is a potential for the component unit to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A primary government may also be financially accountable if a component unit is fiscally dependent on the primary governmental entity regardless of whether the component unit has a separately elected governing board, a governing board appointed by a higher level of government, or a jointly appointed board. Based upon the aforementioned oversight criteria, the District will report no component units.

B. Basis of Accounting

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned or, for property tax revenues, in the period for which levied. Expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when both measurable and available. Measurable means the amount of the transaction can be determined and available means collectible in the current period or soon enough thereafter to be used to pay liabilities of the current period. Resources not available to finance expenditures and commitments of the current period are recognized as deferred revenue or as a reservation of fund balance. The District considers property taxes available if they are collected within sixty-days after year-end. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt, as well as compensated absences and claims and judgments are recorded only when payment is due. General capital acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financial sources.

When both restricted and unrestricted net position are available, unrestricted resources are used only after the restricted resources are depleted.

Note 1: Summary of Significant Accounting Policies (Continued)

C. Non-Current Governmental Assets/Liabilities

GASB Statement 34 eliminates the presentation of account groups, but provides for these records to be maintained and incorporates the information into the Governmental Activities column in the government-wide statement of net position.

D. Basis of Presentation

The accounts of the District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts established for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The District's resources are accounted for in these individual funds based on the purposes for which they are to be spent and the means by which spending activity is controlled. For financial reporting, these funds have been grouped into the fund type discussed below.

Governmental Fund Type

Governmental funds are used to account for the District's expendable financial resources and related liabilities (except those accounted for in proprietary and similar trust funds). The measurement focus is based upon determination of changes in financial position. The following is the District's governmental fund:

General Fund - This fund accounts for all the financial resources not required to be accounted for in another fund. This fund consists primarily of general government type activities.

E. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

F. Restricted Assets

Restricted assets are financial resources generated for a specific purpose such as construction of improvements and financing of debt obligations. These amounts are restricted, as their use is limited by applicable bond covenants or other external requirements.

G. Compensated Absences

Compensated absences represent the vested portion of accumulated vacation and sick leave. In accordance with GASB 16, the liability for accumulated leave includes all salary - related payments that are directly and incrementally connected with leave payments to employees, such as Medicare taxes. A current liability is recorded in the governmental fund type to account for these vested leave accruals, which are expected to be used within the next fiscal year. The non-current (the amount estimated to be used in subsequent fiscal years) for governmental funds is maintained separately and represents a reconciling item between the fund and government-wide financial statement presentation.

Note 1: Summary of Significant Accounting Policies (Continued)

H. Capital Assets

Capital assets, recorded at historical cost or estimated historical cost if actual historical cost is not available, are reported in governmental activities column of the government-wide financial statements. Contributed fixed assets are valued at their estimated fair market value. Capital assets include land, buildings and building improvements and equipment. Capital assets are defined by the District as assets with an initial, individual cost of more than $5,000 for Equipment, and $25,000 for buildings and improvements. All land is capitalized regardless of historical cost.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Depreciation is recorded in the government-wide financial statements on the straight-line bases over the useful life of the assets as follows:

Assets	Useful Life
Buildings and improvements	30 years
Equipment	5 to 20 years

I. Property Tax

The District receives property taxes from Mendocino County, which has been assigned the responsibility for assessment, collections, and apportionment of property taxes for all taxing jurisdictions within the County. Secured property taxes are levied on January 1 for the following fiscal year and on which date it becomes a lien on real property. Secured property taxes are due in two instalments on November 1 and February 1 and are delinquent after December 10 and April 10, respectively, for the secured roll. Based on a policy by the County called the Teeter Plan, 100% of the allocated taxes are transmitted by the County to the District, eliminating the need for an allowance for uncollectible. The County, in return, receives all penalties and interest on delinquent taxes. Property taxes on the unsecured roll are due on the January 1 lien date and become delinquent if unpaid by August 31. Property tax revenues are recognized in the fiscal year they are received.

Note 2: Cash and Investments

Cash and investments at June 30, 2021, consisted of the following:

Cash and investment	$ 626,962
Total cash and investments	$ 626,962

Note 2: Cash and Investments (continued)

A. Investments Authorized by the California Government Code and the Entity's Investment Policy

The table below identifies the **investment types** that are authorized for the South Coast Fire Protection District (District) by the California Government Code (GC) (or the District's investment policy, where more restrictive). The table also identifies certain provisions of the California GC (or the District's investment policy, where more restrictive) that address **interest rate risk, credit risk** and **concentration of credit risk.** This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the District, rather than the general provisions of the California GC or the District investment policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local agency bonds	5 years	None	None
U.S. treasury obligations	5 years	None	None
State of California obligations	5 years	None	None
U.S. agency securities	5 years	None	None
Banker's acceptances	180 days	40%	30%
Commercial paper	270 days	40%	10%
Negotiable CDs	5 years	30%	None
Repurchase agreements	1 years	None	None
Reverse repurchase agreements	92 days	20%	None
Medium term notes	5 years	30%	None
Mutual/money market funds	5 years *	20%	10%
Collateralized bank deposits	5 years	None	None
Mortgage pass-through securities	5 years	20%	15%
Time deposits	5 Years	None	None
Local Agency Investment Fund (LAIF)	5 years *	None	None

* The five year maximum maturity can be extended by the Board of Directors. Also, the maximum maturity can be extended if the funds are reserved for bond, COP or note payments to coincide with the required repayments.

B. Disclosures Relating to Interest Rate Risk

The District does not have investments subject to interest rate risk.

C. Concentrations of Credit Risk

The investment policy of the District contains limitations on the amount that can be invested in any one issuer. There are no investments to one issuer exceeding those limits.

Note 2: Cash and Investments (Continued)

D. Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposit or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment of collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits; The California Government Code requires that a financial institution secured deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the government unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure the District's deposits by pledging first deed mortgage notes having a value of 150% of the secured public deposits.

The District maintains one checking account with Exchange Bank for the purposes of depositing tax and assessment revenue from the county and for operations of the District. At June 30, 2021 the District's bank balance was $638,269 and the carrying amount was $626,962. The difference between the bank balance and the carrying amount was due to normal outstanding checks and deposits in transit. Of the bank balance $250,000 was covered by the Federal Depository Insurance and $388,269 was covered by collateral held in the bank's trust department in the District's name.

Note 3: Property, Plant and Equipment

Activity for general fixed assets capitalized by the District for the year ended June 30, 2021 is summarized below:

	Balance July 1, 2020	Additions	Retirement/ Adjustments	Balance June 30, 2021
Capital assets, not being depreciated				
Land	$ 52,500	$ -	$ -	$ 52,500
Construction in progress	20,368	500	(20,368)	500
Capital assets, being depreciated:				
Buildings and improvements	245,922	31,424		277,346
Equipment	1,948,071	234,931	(117,521)	2,065,481
Total capital assets, being depreciated	2,364,922	266,355	(117,521)	2,342,827
Less accumulated depreciation	(1,651,807)	(86,461)	117,520	(1,620,748)
Governmental activities, capital assets, net	$ 785,983	$ 180,394	$ (20,369)	$ 775,079

Note 4: Long-Term Liabilities

A summary of the changes in the District's long-term liabilities reported in the government-wide financial statements for the fiscal year ended June 30, 2021:

	Balance July 1, 2020	Additions	Retirements	Balance June 30, 2021
Equipment lease A	$ 150,542	$ -	$ -	$ 150,542
Equipment lease B		147,962		147,962
Totals	$ 150,542	$ 147,962	$ -	$ 298,504

Long-term debt obligations consisted of the following:

Equipment lease A:

On June 1, 2018, the District entered into a loan with a commercial bank for $240,589 to finance the acquisition of a Rosenbauer Type III Wildland Engine. The interest rate on the loan is 3.894% with the final payment due July 15, 2023.

The future minimum loan payments as of June 30, 2021, are as follows:

Fiscal Year Ended	Principal	Interest	Total
2022	$ 48,276	$ 5,862	$ 54,138
2023	50,156	3,982	54,138
2024	52,110	2,029	54,139
Total	$ 150,542	$ 11,873	$ 162,415

Equipment lease B:

On February 1, 2021, the District entered into a loan with a commercial bank for $147,962 to finance the acquisition of a new rescue engine. The interest rate on the loan is 2.864% with the final payment due July 15, 2025.

The future minimum loan payments as of June 30, 2021, are as follows:

Fiscal Year Ended	Principal	Interest	Total
2022	$ 29,765	$ 1,930	$ 31,695
2023	28,310	3,385	31,695
2024	29,121	2,575	31,696
2025	29,954	1,740	31,694
2026	30,812	883	31,695
Total	$ 147,962	$ 10,513	$ 158,475

Note 5: Net Position/Fund Balances

Net Position

The government-wide activities fund financial statements utilize a net position presentation. Net position is categorized as invested in capital assets (net of related debt), restricted and unrestricted.

- *Net investment in Capital Assets* – This category groups all capital assets, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.
- *Unrestricted Net Position (Deficit)* – This category represents net position (Deficit) of the District, not restricted for any project or other purpose.

Fund Balances

GASB 54 establishes fund balance classifications that comprise a hierarchy based on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Detailed information on governmental fund-type, fund balances are as follows:

The term "assigned" fund balance includes amounts *intended* to be used by the government for specific purposes. Intent can be expressed by the governing body or by an official, or body to which the governing body delegates the authority. The District had $0 assigned fund balance at June 30, 2021. The remaining fund balance is unassigned and available for future fire- fighting operations.

Note 6: Stewardship, Compliance and Accountability

A. Excess of Expenditures Over Appropriations

The final amended budget had excess expenditures over the budget of $246,486 in capital outlay.

B. Prior Period Adjustment

A prior period adjustment was made increasing beginning fund balance and beginning net position $15,202 to correct an error made to accounts payable in the prior fiscal year.

Note 7: Gann Limit

Total subject revenue 2020-21	$ 179,480
Amount of limit for 2020-21	181,892
Amount (under)/over limit	$ (2,412)

Note 8: Revenue Limitations Imposed by California Proposition 218

Proposition 218, which was approved by the voters in November 1996, regulates the District's ability to impose, increase, and extend taxes and assessments. Any new increase or extended taxes and assessments subject to the provisions of Proposition 218, requires voter approval before they can be implemented. Additionally, Proposition 218 provides that these taxes and assessments are subject to voter initiative and may be rescinded in the future years by the voters.

Note 9: Joint Powers Agreement

The District participates in a joint powers (JPA) with the Fire Agencies Risk Authority (FAIRA) and Fire Agencies Self Insurance System (FASIS) for insurance purposes. The FAIRA and FASIS are joint powers agencies formed pursuant to Section 6500 et Seq., California Government Code, and are comprised of California Special Districts. The relationship between the District and the JPA's are such that the JPA's are not a component unit of the District for financial reporting purposes. FAIRA and FASIS are jointly funded to develop programs to provide stable, efficient and long term risk financing for special districts. These programs are provided through collective self-insurance; the purchase of insurance coverage; or a combination thereof.

Note 10: Commitments and Contingencies

Grants

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the district expects such amounts, if any, to be immaterial.

GANN Spending Limit

The District receives funding from Mendocino County for TOT allocations and Prop 172 ½ cent sales tax in addition to assessing a Special Assessment. The District has taken the position that these revenue sources are not subject revenue for the GANN limit calculation. Should it be determined that this revenue is subject to the GANN limit then amounts collected over the GANN limit may constitute a liability to the District.

Lines of Credit

At June 30, 2021, the district had a credit card with West America bank that had a credit limit of $37,000. The District also had an open line of credit with West America bank with a borrowing limit of $300,000.

COVID 19

In December 2019, a novel strain of coronavirus has spread around the world resulting in business and social disruption. The coronavirus was declared a Public Health Emergency of International Concern by the World Health Organization on January 30, 2020. The operations and business results of South Coast Fire Protection District could potentially be adversely affected by this global pandemic. The extent to which the coronavirus may impact business activity or investment results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions required to contain the coronavirus. The District has not included any contingencies in the financial statements specific to this issue.

SOUTH COAST FIRE PROTECTION DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE-GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Budgeted Amounts			Variance Favorable
	Original	Final	Actual	(Unfavorable)
Revenues				
Property taxes	$ 176,533	$ 176,533	$ 179,378	$ 2,845
Special assessments	238,678	238,678	225,614	(13,064)
Intergovernmental revenues	193,320	193,320	418,083	224,763
Use of money and property	55	55	102	47
Other revenues	200	200	5,279	5,079
Total revenues	608,786	608,786	828,456	219,670
Expenditures				
Salaries and benefits	299,895	299,895	275,340	24,555
Services and supplies	255,973	255,973	222,827	33,146
Debt service				
Principal	54,138	54,138		54,138
Interest	10,558	10,558		10,558
Capital outlay			246,486	(246,486)
Total expenditures	620,564	620,564	744,653	(124,089)
Total revenues over (under) expenditures before other financing sources (uses)	(11,778)	(11,778)	83,803	95,581
Other Financing Sources (Uses)				
Sale of assets			16,099	16,099
Proceeds of debt			147,962	147,962
Total other financing sources (uses)			164,061	164,061
Net change in fund balance	$ (11,778)	$ (11,778)	247,864	$ 259,642
Fund balance - beginning of year			414,883	
Prior period adjustment			15,202	
Fund balance - end of year			$ 677,949	

Budgets and Budgetary Accounting

As required by State law the District prepares and legally adopts a final operating budget. Public hearings were conducted on the proposed and final budget to review all appropriations and the source of financing.

The budget for the general fund is adopted on the modified accrual basis of accounting. The budget for the general funds is the only legally adopted budget.

At the object level, actual expenditures cannot exceed budgeted appropriations. Management can transfer budgeted amounts between expenditure accounts within an object without the approval of the Board of Directors. Significant amendments and appropriation transfers between objects or funds must be approved by the Board of Directors. Appropriations lapse at fiscal year-end.

The budgetary data presented in the final budgeted amount in the accompanying financial statements includes all revisions approved by the Board of Directors.